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SCOTTSDALE CITY COUNCIL

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Councilwoman Cynthia Lukas
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Councilman Dennis Robbins
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Councilman George Zraket

REVIEW OF WEYERHAEUSER CONTRACT

The City Auditor's Office determined that both the City and Weyerhaeuser have complied with the material terms of the recycling contract. The review was concluded and our results were provided to management and Weyerhaeuser prior to negotiations, which ultimately altered the contractual relationship.

Report No. 9801
August 1999



Most Honorable
U.S. Conference of Mayors

OFFICE OF THE
CITY AUDITOR

7440 EAST FIRST AVENUE
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August 4, 1999

To the Most Honorable Sam Kathryn Campana, Mayor
and the Members of the Scottsdale City Council

Transmitted herewith is our review of the contractual arrangement between the City and Weyerhaeuser Company for the purchase of commingled recyclable materials. Ramon Ramirez was the auditor-in-charge of Report No. 9801.

This review was conducted at the request of the Municipal Services General Manager. The purpose of this review was to determine:

- whether significant compliance with the terms of the contract was achieved; and
- whether losses reported by Weyerhaeuser were supported by appropriate documentation.

The review was concluded, and our results were provided to management and Weyerhaeuser, prior to negotiations which ultimately altered the contractual relationship. If you need additional information or have any questions, please feel free to contact us at 312-7756.

Respectfully submitted,

Cheryl Sue Barcala

Cheryl Barcala, CIA, CPA, CFE, CGFM
City Auditor



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**Review of Weyerhaeuser Contract
Report No. 9801**

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Introduction

At the request of the General Manager, Municipal Services, we reviewed the contractual arrangement between the City and Weyerhaeuser Company for the purchase of commingled recyclable materials. The review was done with the cooperation of Weyerhaeuser. The review was initiated in May 1998, and fieldwork concluded in June 1998. Ramon Ramirez was the auditor-in-charge.

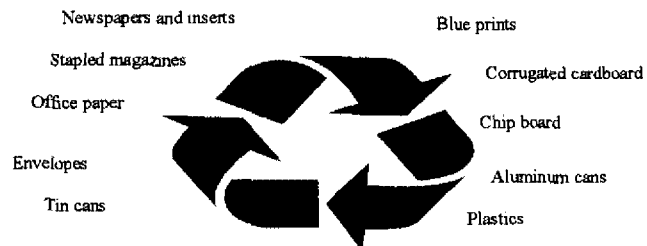
Initial results were discussed with the General Manager, Municipal Services, and with Weyerhaeuser officials at the close of fieldwork. Responses from Weyerhaeuser, presented after a review of the draft report, are included in Appendix A. Weyerhaeuser declined to submit revised responses. The response from the General Manager, Municipal Services, is included in Appendix B.

Weyerhaeuser has requested that the City amend the terms of the contract. This request is based on a claim that the contractual arrangement results in a loss to Weyerhaeuser of approximately \$900,000 annually. Weyerhaeuser officials attribute their losses to several causes. First, officials assert that the market conditions for recyclable materials changed drastically in the first year of the contract, and it does not appear that it will rebound any time in the future. Second, Weyerhaeuser stated that approximately 19 percent of the material submitted for processing is waste and, as a result, they are unable to recover the volume of recyclable material originally anticipated.

Background

In December 1995, the City implemented a Citywide Residential Curbside Recycling Program, an enhanced service to Scottsdale citizens, and a further step in the City's commitment to environmental stewardship. Full implementation followed a pilot recycling program. The City advertised a Request For Proposal (RFP) in September 1995, for the sale of the commingled recyclable materials which it would collect. The RFP allowed bidders the option of bidding the program to handle glass or exclude glass. Weyerhaeuser Company, which participated in the pilot program with the City, was awarded the contract in December 1995. The current contract term is due to end in December 2000. Based on the proposal submitted by Weyerhaeuser, the City would receive \$20 per ton of materials delivered to the Weyerhaeuser processing plant, glass excluded. Because of this revenue, curbside recycling was implemented with a small increase in the fees charged to the citizens. The Insert below shows the recyclables accepted.

Recyclable Materials



SOURCE: Audit analysis.

Under terms of the contract, Weyerhaeuser is required to pay the City based on tonnage of materials, whether loose or bagged, delivered for sorting. The contract also provides a potential for revenue sharing should revenues for certain materials exceed benchmark prices. This would result in the City receiving 50 percent of any additional revenues earned. Weyerhaeuser also was committed to provide \$5,000 each year for educational outreach programs developed and conducted by the City. Due to Weyerhaeuser claims of financial losses on the contract, the City has not requested the full amount of the educational funds to which Weyerhaeuser committed. As a result, Weyerhaeuser has only provided approximately \$1,500 for educational purposes to date.

The contract is a firm fixed-price contract that places the risk of performance under changing conditions on Weyerhaeuser. It does not provide guarantees of the volume, character, or condition of recyclable material, with the material being sold "as is." It does, however, provide for guarantees of performance by Weyerhaeuser. In addition to a performance bond of \$250,000, the contract provides for liquidated damages of \$50 per ton should Weyerhaeuser fail to accept, process, and market the material. The liquidated damages would remain in effect until such time as the City could obtain similar services.

At the time the award was made to Weyerhaeuser, Weyerhaeuser's proposal stated that its Materials Recovery Facility would be "operating an efficient, high volume recycling facility...This processing capacity will be expanded as necessary to meet the City's needs for the second through fifth contract year." Weyerhaeuser's proposal stated that its "extensive experience in recycling facility management makes it well prepared to handle operational contingencies..." and that it had been "actively managing recycling facilities for over 20 years."

On April 1, 1996, the City began delivery of outdoor containers for the recycling program. The containers were delivered at the rate of 1,800 to 2,200 homes per week. It took approximately 25 weeks to complete delivery to the 50,000 single family homes within the City. The City's Solid Waste staff also distributed separate indoor containers, and information pamphlets regarding recyclable materials. Delivery, to Weyerhaeuser, of recyclable materials collected by the City started in April 1996. For four months, Weyerhaeuser sorted these materials in their recycling center, as discussed in their proposal.

According to Weyerhaeuser officials, continual problems with the sort line becoming jammed impeded efficient operations. The plant's bins constantly became bottlenecked, and the sort line would have to be stopped for hours while the bins were manually cleared. Because it was labor intensive, it was difficult to process materials received one week in time for the next week's delivery. In light of the operational problems, Weyerhaeuser officials evaluated the plant for potential renovation.

According to Weyerhaeuser officials, it was determined that renovation was not economically feasible due to the volume of materials processed, the market for the material, and other local vendors who had additional capacity. Thus, the decision was made to contract out the sorting and, in August 1996, Weyerhaeuser contracted with Browning Ferris Industries (BFI). BFI had a plant next door to the Weyerhaeuser facility, and would receive and sort the materials at a rate ranging from \$62.50 to \$69.50 per ton. Weyerhaeuser kept the marketing rights to the sorted material. During this contract span, BFI was bought out by USA CRINC. In January 1998, Weyerhaeuser entered into a new contract with New England CRINC, for both sorting and marketing. Under the terms of this arrangement, Weyerhaeuser pays New England CRINC \$17 per ton.

Findings

Our review was conducted to address the following objectives:

- Determine the level of compliance of Weyerhaeuser Company to the terms of its contract.
- Determine whether the losses reported by Weyerhaeuser were supported by appropriate documentation.
- Evaluate Weyerhaeuser's efforts to effectively manage results of operation.
- Assess the validity of Weyerhaeuser claims that unforeseen changes in market conditions resulted in poor economic performance related to the contract.
- Assess the validity of Weyerhaeuser claims that they were experiencing a higher percentage of waste, in the materials delivered by the City, than originally anticipated.

The results of our review related to each of these objectives are presented in the sections that follow.

Contract Compliance

Based upon the results of our fieldwork, we concluded that Weyerhaeuser is complying with two key contract performance elements. Analytical review of City records of the weight of recyclable materials led us to conclude that tonnage delivered to Weyerhaeuser and revenue received by the City appears to be reasonably related. However, because City invoices for delivered materials are not reconciled to Weyerhaeuser payments for the same period, we were unable to reach a definitive conclusion as to whether all monies due to the City had been received.

We reviewed recycled material market prices since contract inception, and verified that at no point had material prices reached or exceeded the benchmark prices specified in the contract. As a result, we concluded that no revenue sharing funds were due to the City.

We did find that Weyerhaeuser was not in compliance with a provision of the contract that requires monthly reports on the weight of delivered recyclables by type. While composition tests conducted periodically from December 1996 through October 1997 provided a means to estimate types of materials for the first year of the program, there is no current information available. Because of this, the City does not have information that could be used to monitor types of materials recycled, determine the potential for revenue sharing, or base future program decisions on.

Financial Loss Support

According to Weyerhaeuser officials, Weyerhaeuser is losing approximately \$900,000 a year to meet the obligations of the contract. The Insert below shows the reported losses from April 1996 to April 1998.

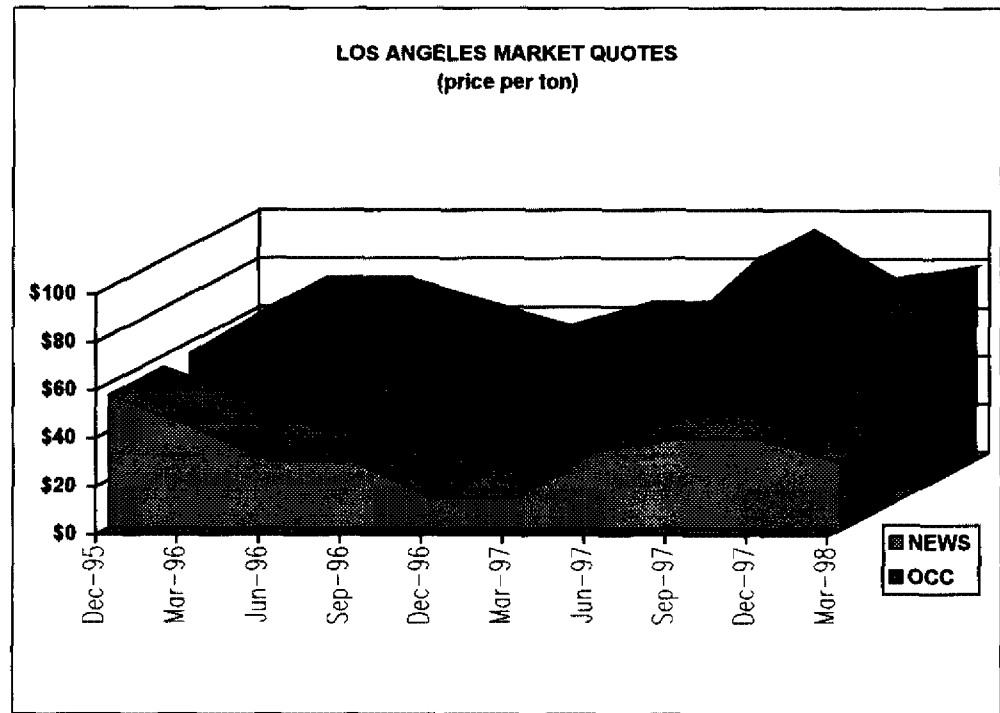
Reported Losses	
April 1996 to December 1996	(\$457,000)
Calendar year 1997	(\$912,000)
January 1998 to April 1998	(\$345,000)
SOURCE: Weyerhaeuser Financial Reports.	

***Efforts to Effectively Manage
Financial Losses***

We could not evaluate Weyerhaeuser's decision to subcontract a portion, and subsequently all, of the tasks necessary to fulfill the contractual obligation. Weyerhaeuser officials said that this was done because it was not economically beneficial for Weyerhaeuser to continue to perform these tasks themselves. We were not provided documentation of staffing levels, volume of materials processed, or the details of any other pertinent circumstances that led Weyerhaeuser to decide to forego plant modifications in favor of subcontracting. Additionally, we were not provided documentation of evaluations of the subcontract terms and conditions or any solicitation processes that would evidence a reasonable effort was made to ensure the most favorable conditions. As such, we could not make a determination as to whether or not sub-contracting was the most effective means to optimize financial performance. However, we do believe that this decision eliminated Weyerhaeuser's ability to implement more effective business practices as a means of reducing or eliminating any loss.

Change in Market Condition

Weyerhaeuser claims that its contract losses have been exacerbated by an unforeseen downward shift in market prices of materials recovered through the recycling program. Market conditions can impact the results of operations, and are a significant factor in determining profit. The Graph on the next page demonstrates the market trend for recycled newspaper (NEWS) and corrugated cardboard (OCC) beginning with the month in which the recycling contract was awarded to Weyerhaeuser.



NOTE: Weyerhaeuser has a contract with an outside vendor for the sale of recycled Newspaper which establishes a floor sales price of \$50 per ton.

SOURCE: "Official Board Market" publication for the respective period.

Based on our review of this market data, we confirmed a downward shift in market conditions for recyclable materials. However, the most notable drop in the market prices for NEWS and OCC occurred prior to December 1995, the point in time at which Weyerhaeuser entered into its contract with the City. Composition tests of the materials that the City delivered to Weyerhaeuser indicated that NEWS and OCC make up approximately 67 percent of the materials.

Waste Composition

Weyerhaeuser officials claim that the percentage of waste in the materials delivered, by the City, is higher than originally anticipated. Weyerhaeuser's position is that, because they are experiencing 19 percent waste, which is significantly higher than the projected 15 percent "other waste" outlined in the contract, the compensation amount should be changed. We do not believe that this is a valid claim. We found that when calculating waste, Weyerhaeuser not only includes contaminants but also includes acceptable recyclable material not recovered from the sorting line (processing waste). The 15 percent cited in the contract specifically excludes acceptable recyclable material from the term "other waste."

While City observed composition tests were terminated at Weyerhaeuser's request in October 1997, there were 27 such tests prior to that. Those tests, conducted by Weyerhaeuser employees, documented "other waste" at 8 percent. The City has not participated in composition tests since that time or been provided monthly reports indicating the types of materials processed in the program.

Objectives, Scope, and Methodology

At the request of the General Manager, Municipal Services, we initiated a fact-finding review to determine: 1) whether significant compliance had been achieved with the terms of the City's contract with the Weyerhaeuser Company, for the sale of recyclable material; 2) whether Weyerhaeuser's loss on the recycling contract, as reported to the City, is supported by the available facts and documentation and whether Weyerhaeuser had incorporated effective business management practices as a means of controlling losses reported as a result of the contractual arrangement.

Preliminary survey work was initiated in May 1998, and fieldwork was concluded in June 1998. Fieldwork was limited due to the inability to obtain documents related to result of operations for 1996. Staff of the City's Solid Waste Department, and cognizant Weyerhaeuser employees,

were interviewed to gain insight into contract-related activities. Both City and Weyerhaeuser documents were reviewed to gain insight into historical contract activity and to verify the support for reported financial performance. Additionally, analytical tests were performed to gauge the reasonableness of reported activity.

Our work was conducted in accordance with generally accepted government auditing standards as they relate to expanded scope auditing in a local government environment and as required by Article III Scottsdale Revised Code § 2-117 et. seq.

In order to determine the extent of Weyerhaeuser's compliance with the contract term that calls for Weyerhaeuser to pay the City \$20 per ton for recyclable material, we obtained the City's monthly invoices for the commingled recyclable material delivered to Weyerhaeuser. Although the delivery of material, under the contract, began in April 1996, the invoices were only available beginning October 1996, but were current through April 1998. From these invoices, we totaled the weight (tons) of material delivered to Weyerhaeuser during the period. We multiplied this amount by the \$20 per ton that Weyerhaeuser is to pay the City per the contract. We compared the result to the City's record of payments received from Weyerhaeuser during the same period.

The contract contains a revenue sharing provision that calls for the City to share in revenues for specified recyclables when the average market price for the recyclables exceeds the identified benchmark price indicated in the contract. To determine whether compliance had been achieved with this revenue-sharing provision, we first reviewed applicable trade publications to determine the average market price for newspaper, corrugated cardboard, and aluminum for each month beginning in April 1996 and ending in May 1998.

For each recyclable, we compared the average monthly market price to the applicable benchmark contained in the contract to determine if the benchmark price had been exceeded in any month. Because the benchmark prices had not been exceeded, no further tests were performed.

In verifying the financial performance on the contract, as reported by Weyerhaeuser, we tested to verify the support and reasonableness of calendar year 1997 revenues and expenses. To estimate a reasonable amount of revenue that could be expected to be derived from the City-provided materials, we used City records of the total tons of commingled recyclable materials delivered to Weyerhaeuser for each month of calendar 1997. We also obtained the results of 27 City verified composition (makeup of the material) tests performed on samples of the delivered material. Using this information, we determined the average percentage of each type of recyclable material that could be expected to be derived from any given amount of commingled recyclable material gathered and delivered by the City. We applied these percentages to the total tons delivered by the City to Weyerhaeuser for each month during 1997 to arrive at the total expected weight of each type of marketable recyclable derived from the material. We then applied the applicable market price for the month, obtained from trade publications, to the weight of each recyclable to arrive at the total revenue that could be expected for the month. We totaled the expected revenue for each of the months to arrive at the total expected revenue for 1997. We compared this amount, \$1,008,327, to Weyerhaeuser's reported revenue for the same period, \$1,029,965.

We traced back freight charges reported in Weyerhaeuser monthly profit and loss statements to their supporting documentation (vendor invoices). Such supporting documentation was not available for ocean freight as Weyerhaeuser's staff explained that that documentation was

maintained at their headquarters, and not at the Phoenix plant. We were able to trace, to vendor invoices, \$67,826 of the \$139,728 of freight expenses reported by Weyerhaeuser for the 1997 calendar year.

We verified the reasonableness of the 1997 "material purchase" expense claimed by Weyerhaeuser. This is the total amount that Weyerhaeuser paid to the City for the commingled recyclable materials (\$20 per ton under the contract). We compared the amount that Weyerhaeuser claimed, in its profit and loss report, to have paid the City for the material (\$375,693) to the total amount recorded by the City's Solid Waste staff as payments received from Weyerhaeuser during calendar year 1997 (\$391,469).

We verified the reasonableness of the 1997 "plant operations" (expense) claimed by Weyerhaeuser. The amount, per Weyerhaeuser's profit and loss report, was \$1,323,705. We compared this amount to our estimate of what the amount should be based on Weyerhaeuser's contract with the outside vendor for processing the recyclable material for a per ton cost. We used the City's record of the total commingled recyclable tons delivered to Weyerhaeuser for the period and multiplied the total by the per ton processing cost to arrive at our estimate of \$1,352,304.

We also obtained, from Weyerhaeuser staff, an explanation of their methodology used to allocate overhead expenses to the profit and loss center which tracks their financial performance relative to the City of Scottsdale recycling contract.

APPENDIX A

Weyerhaeuser's Response

Recycling



Western Region
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San Ramon, California 94583
Tel (510) 867 0160
Fax (510) 867 0130

September 8, 1998

Mr. Ramon Ramirez
City Auditor
City of Scottsdale
Office of City Auditor
7440 East First Avenue
Scottsdale AZ 85251

RE: The City of Scottsdale Auditor's Report on the Residential Curbside Recycling Collection Program

Dear Mr. Ramirez:

This letter represents Weyerhaeuser's response to the City's final draft report dated August 21, 1998.

As you well know, Weyerhaeuser commenced processing of recycled material for the City of Scottsdale in April of 1996. From the beginning, Weyerhaeuser has communicated to the City the commercial impracticality of the program. Finally last February Weyerhaeuser personnel proposed to City staff modifications to the processing arrangement based on the special issues surrounding the history of the program. First and foremost, Weyerhaeuser stated that the waste stream from processing the Scottsdale material has been running at a much higher volume than expected. One of the main reasons for this is the high amount of contamination found in the "recycled" material, specifically glass shards and other contamination. Scottsdale had promised Weyerhaeuser a glass free program when Weyerhaeuser prepared its proposal in the summer of 1995.

Secondly, Weyerhaeuser drafted its proposal for the Scottsdale program at a time when recycled material prices were strong. By the time the City council selected our proposal, December 26, 1995, the market had declined dramatically. Weyerhaeuser suggests that this specific fact, in and of itself, should warrant - in the spirit of a true partnership - a fair and equitable treatment between the parties.

In response to Weyerhaeuser's proposal, the City authorized an in-house audit to begin in May. Weyerhaeuser logically presumed that the primary goal of the audit was to verify the factual statements it made to the City in its request for relief, specifically the losses incurred to-date and the higher than expected waste stream. After reviewing the City's audit report, we note that it more or less substantiates the large losses Weyerhaeuser has incurred supporting the program. However, we are disappointed by the tone of the report, and its avoidance of the critical issue regarding excess waste. Our goal in the audit was to invite a fair assessment of our claims. By the tone of the audit report, we believe that it seeks to put Weyerhaeuser in as bad a light as possible as if the City is attempting to use the audit to further its position and that it had that agenda as its principal purpose.

The following are specific issues Weyerhaeuser has with the report:

- 1) It fails to mention that the main reason Weyerhaeuser's sort system was unable to handle the volume was that it had to unexpectedly change the processing flow from a positive sort to a negative sort. Weyerhaeuser had planned to run the material with the highest content off the end of the line. However, because of glass shards and other contaminants too small to hand pick,

Mr. Al Dreska
September 9, 1998
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Weyerhaeuser was forced to run the waste stream off the end and to pull the news. This change alone led to significant increases in production costs.

- 2) It fails to disclose the actual sales output by grade as if this information were somehow irrelevant. Historically, Weyerhaeuser and its subcontractors have generated the following mix from the Scottsdale material:

<u>Grade</u>	<u>Sales Mix (by wt.)</u>
News	53.7%
Residential mix	17.0%
OCC	7.2%
Plastics	1.5%
Aluminum	.9%
Tin	.3%
Recyclables	80.6%
Waste	19.4%
 Total material	 <u>100.0%</u>

Weyerhaeuser has never disagreed with the City that the actual waste content would be close to the results of the composition tests of 7% - 8%. After all, this is actual waste content Weyerhaeuser expected when it prepared its proposal. However, the higher than expected contamination levels negated the possibility of ever reaching these levels. Weyerhaeuser is surprised that the City refuses to disclose this critical information about its own program to its city council.

- 3) The report claimed that "Weyerhaeuser was not in compliance with a provision on the contract that requires them to provide monthly reports on the weight of delivered recyclables by type" to allow the City to assess its potential for revenue sharing. (See page 1, paragraph 4).

To the contrary, Weyerhaeuser consistently informed city representatives of market prices and, since they were below the benchmark, were told it would be unnecessary to provide a breakdown of the recyclables by type. Weyerhaeuser would, of course, provide this information if the City requested it.

- 4) The report states that the "review was limited to the 1997 calendar year, because Weyerhaeuser could not provide documentation of revenues and expenses associated with the contract during 1996." (See page 1, paragraph 5).

We disagree with this. Weyerhaeuser initially processed all of the Scottsdale material internally, but for the reasons presented above, decided to outsource the processing to BFI. BFI possessed a state-of-the-art material handling facility, which as of July 1996 sat idle. Initially, BFI processed on a test basis and by the end of 1996 processed all of the Scottsdale material. We believe the terms of the BFI processing arrangement are quite meaningful (and slightly understated in the report). Determined to utilize its idle equipment, BFI agreed to process for a certain amount per ton - an amount that far exceeded the processing costs per ton that Weyerhaeuser anticipated when it prepared its proposal and expected the "glass free program." Although the City auditors would not have all of the detailed support for 1996, they certainly could ascertain a major component of the loss by reviewing the BFI contract and volumes. Further, Weyerhaeuser could provide support for its direct labor used when it processed internally.

Mr. Al Dreska
September 9, 1998
Page 3

Finally, in January of 1998 Weyerhaeuser contracted with New England CRINC to process and market the Scottsdale material. We are thus surprised that the City auditors could not substantiate the losses year to day for 1998.

- 5) The report makes the point that the City was not able to "evaluate whether the sub-contractual arrangement Weyerhaeuser currently operates under is the most economically advantages option." (See page 1, paragraph 6 and Page 3, Paragraphs 3 and 4).

Again to reiterate, Weyerhaeuser's decision to sub-contract the processing is supported because our system was unable to handle the volume due to reversing our process from a negative sort to a positive for news. Weyerhaeuser's customers were issuing quality claims due to the amounts of glass chard's and other contaminates in our baled product.

The "continual" problems referred to in paragraph 4 of page 3 was a direct result of running more material through the bunkers than planned due to the switch from a negative to positive sort. Weyerhaeuser expected to run news representing the bulk of the volume off the end of the belt, but the process realignment forced us to send this greater flow of material through the bunkers which were not designed to handle this volume.

- 6) The report states that the "most notable drop in market prices for recycled material occurred prior to the point in time at which Weyerhaeuser entered into its contract with the City." (See page 1 paragraph 7).

Weyerhaeuser has presented to the City clear graphical depiction of how much prices collapsed from when it prepared its proposal (August 1995) to when the City Council of Scottsdale selected the Weyerhaeuser proposal (December 26, 1995). The audit report implies that Weyerhaeuser entered into the contract with full knowledge of the pricing collapse. To the contrary, City staff "entered into its contracts" with full knowledge of the pricing collapse.

- 7) The sentence which states " This decision was based on the volume of materials processed ," (Page 4, paragraph 2) would be more accurate if it read "volume and quality of materials processed ,"

- 8) During this contract span, BFI was bought out by USA Waste, then USA CRINC purchased the facility from USA Waste. The second sentence should be January 1998 and not June 1998. (Page 4, paragraph 3).

- 9) The report states that "Weyerhaeuser has not consistently performed composition tests, nor have monthly reports been completed which would indicate the types of materials processed in the program." (See page 4, paragraph 6).

City representatives and Weyerhaeuser mutually agreed to stop doing composition tests. City representatives also told us there was no need to have monthly reports indicating material types processed in the program and have since never been asked to do so.

- 10) The report states that "Weyerhaeuser is required to pay the City \$20 per ton of materials" and later states "\$20 per ton for recyclable material." (See page 3, paragraph 1 and page 5, paragraph 2).

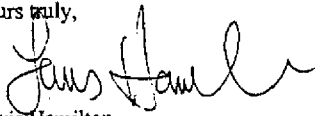
Weyerhaeuser notes that the City's request for proposal requires that Weyerhaeuser pay \$20 per ton for "commingled recyclables excluding glass." The City defined recyclables in the Scope of Work

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September 9, 1998
Page 4

section of the RFP and excluded waste from the list. Through an oversight, Weyerhaeuser has erroneously paid the City for trash as well as recyclables through the life of the program.

Overall, we regret that the tone of the audit was negative - implying some kind of wrong doing by Weyerhaeuser. As a firm Weyerhaeuser has operated in good faith over the past two-and-half years, even continuing to overpay the City (from above) as we sought an equitable resolution without causing disruption to the residents of Scottsdale. Further, until your letter of August 21, 1998, we were unaware and dismayed that the City intended to make this report public. Although we supported and expected circulation of it to your City Council, we believe that widespread dissemination could harm any of our on-going negotiations with third party processors.

Yours truly,



Lewis Hamilton

cc Dave Ryniec
Jeff Melville

APPENDIX B

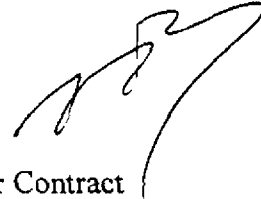
Municipal Services' Response

Date: March 31, 1999

To: Cheryl Barcala, City Auditor

From: Al Dreska, Municipal Services General Manager

Re: Audit Report No. 9801 – Review of Weyerhaeuser Contract



I have reviewed the final draft report prepared by your office and find it to be accurate and factual. I have noted and briefed Solid Waste Management staff regarding the report's findings relating to:

- Contract non-compliance regarding payment to the City in the amount of \$5,000 annually for advertising and promotion expenses.
- Failure by Weyerhaeuser to provide recent monthly characterization reports.
- General confirmation that Weyerhaeuser is incurring substantial annual losses in their performance of this contract.

Thank you for the time, effort and staff diligence devoted to my request.

CC: Pete Chavez, Solid Waste Management Director